



United States Department of Agriculture
Risk Management Agency

April 2005

2005 COMMODITY INSURANCE FACT SHEET

Cultivated Clams (Pilot)

Florida, South Carolina

Crop Insured

The crop insured will be all the clams in the county—

- that meet all the requirements for insurability,
- for which prices are provided in the actuarial materials,
- that are acceptable to us,
- that are grown by a person, who in at least three of the five previous crop years grew clams for commercial sale and participated in the management of a clam farming operation by at least exercising decision-making authority over all operational aspects of the farm,
- that are grown in a county for which a premium rate is provided in the actuarial documents,
- that are in a growing location acceptable to us, and
- that use a practice that fixes the insurable clams to the land within the growing location.

Counties Available

Clam insurance is available only in the following counties:

Florida

Brevard
Dixie
Indian River
Levy

South Carolina

Beaufort
Charleston

Causes of Loss

Insurance is provided for mortality of clams caused only by the following causes of loss that occur within the insurance period:

Oxygen depletion¹
Disease
Freeze
Hurricane
Decrease in salinity²
Tidal wave
Storm surge³
Ice floe

¹Due to vegetation, microbial activity, harmful algae bloom, or high water temperature unless otherwise limited by the Special Provisions—see your insurance agent. ²Associated with a weather event verified by National Oceanic and Atmospheric Administration (NOAA) or United States Geologic Survey (USGS) or as otherwise defined in the Special Provisions—see your insurance agent. ³That is associated with a local weather event and verified by NOAA or USGS.

Insurance Period

(a) In accordance with the provisions of section 11 of the basic provisions, unless we notify you that your inventory is not insurable, coverage begins:

- (1) On December 1 for new applications, when the application and the inventory value report are submitted by October 30;
 - (2) On the 31st day following the date of submission for new applications, when the application and the inventory value report are submitted between November 1 and 30;
 - (3) On December 1 for policies continued from the prior year if the inventory value report is submitted by October 30; and
 - (4) On the 31st day following the date of submission of the inventory value report for policies continued from the prior year when the inventory value report is submitted between November 1 and 30.
- (5) Note that no application or inventory value reports, except revisions, will be accepted after November 30.

(b) Insurance ends at the earliest of:

- (1) The date of final adjustment of a loss when the total indemnities due equal the amount of insurance; or
- (2) November 30.

(c) If you acquire a financial interest in any insurable clams after coverage begins, but after December 1 of the crop year, and our inspection determines that the clams are acceptable, insurance will be considered to have attached to such clams 30 days after a revised inventory report is accepted by us indicating the stage value of the acquired clams.

(d) Insurance ceases immediately on any clams removed from the unit.

Reporting Requirements

Acreage Report— You must timely provide to your insurance agent an inventory value report.

Notice of Loss—See your insurance agent for detailed requirements.

Important Dates

Sales Closing.....	November 30
Acreage Reporting.....	November 30
Billing.....	October 1
Cancellation/Termination.....	November 30

Definitions

Amount of insurance - For each basic unit, your inventory value multiplied by the coverage level percentage you elect, and multiplied by your share. However, for catastrophic risk protection policies, amount of insurance is your inventory value multiplied by the coverage level percentage you elect, multiplied by your share, and multiplied by 55 percent. Your accumulated paid indemnities during the crop year for each basic or optional unit may not exceed your amount of insurance.

Inventory value report - Your report that declares the stage values of insurable claims.

Cancellation Date—The calendar date specified in the crop provisions on which coverage for the crop will automatically renew unless canceled in writing by either you or us, or terminated in accordance with the policy terms.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of the inventory value. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 65-percent coverage level, your premium share would be 41 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100 per county, regardless of the acreage.

Loss Example

This example assumes a 75-percent coverage level.

\$100,000	Clam inventory value
<u>x .75</u>	Coverage level
\$ 75,000	Insurable inventory
\$100,000	Field market value before loss
<u>-50,000</u>	Field market value after loss
\$ 50,000	Value of loss
<u>- 25,000</u>	Deductible = 1 minus the percent of coverage level times the clam inventory value (1.00 -.75 = .25 / .25 x \$100,000 = \$25,000)
\$25,000	Indemnity Payment

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